Get Rich Slowly With These 3 Dividend-Growth All-Stars

Description

As history has shown, owning a portfolio of dividend-paying stocks is a great way to build wealth over the long term, but this investment strategy works best when you own stocks that deliver increased payouts every year. With this in mind, let's take a look at three of the top dividend-growth stocks from different industries, so you can determine if you should buy one or all of them today.

1. Stella-Jones Inc.

Stella-Jones Inc. (TSX:SJ) is one of North America's leading producers of pressure-treated wood products, including railway ties, utility poles, construction timbers, highway guardrail posts, and lumber for residential use. It pays a quarterly dividend of $0.10 per share, or $0.40 per share annually, which gives its stock a yield of about 0.9% at today's levels.

A 0.9% yield is not high by any means, but investors must make two important notes.

First, Stella-Jones has raised its annual dividend payment for 11 consecutive years, and its 25% hike on March 16 has it on pace for 2016 to mark the 12th consecutive year with an increase.

Second, I think the company's very strong financial performance in fiscal 2015, including its 40.2% year-over-year increase in cash flows from operating activities to $254.3 million, and its low payout ratio will allow its streak of annual dividend increases to continue for the foreseeable future.

2. Intact Financial Corporation

Intact Financial Corporation (TSX:IFC) is the leading provider of property and casualty insurance in Canada. It pays a quarterly dividend of $0.58 per share, or $2.32 per share annually, which gives its stock a yield of about 2.6% at today's levels.

Investors must also make two important notes.

First, Intact Financial has raised its annual dividend payment for 10 consecutive years, and its 9.4% hike in February has it on pace for 2016 to mark the 11th consecutive year with an increase.

Second, although the company does not have a specific dividend-payout target, it has kept its payout ratio close to 40% of its net operating income per share over the last five years, so I think its consistent growth, including its 12.5% year-over-year growth to $6.38 per share in fiscal 2015, will allow its streak of annual dividend increases to continue going forward.

3. BCE Inc.

BCE Inc. (TSX:BCE)(NYSE:BCE) is Canada's largest communications company, including its largest Internet provider, its largest provider of television services, and its third-largest wireless service provider. It pays a quarterly dividend of $0.6825 per share, or $2.73 per share annually, which gives its stock a yield of about 4.7% at today's levels.

Investors must also make two important notes.

First, BCE has raised its annual dividend payment for seven consecutive years, and its 4% hike in February has it on pace for 2016 to mark the eighth consecutive year with an increase.

Second, the company has a target dividend-payout range of 65-75% of its free cash flow, so I think its consistent growth, including its 2.3% year-over-year growth to $3.54 per share in fiscal 2015, will allow its streak of annual dividend increases to continue for the next several years.

Is now the time for you to buy a dividend-growth stock?

Stella-Jones, Intact Financial, and BCE are three of the top dividend-growth stocks in their respective industries, and I think all three represent great long-term investment opportunities today. Foolish investors should strongly consider making one of them a core holding.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:IFC (Intact Financial Corporation)

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